947

5. *Amendment of Schedule to Act V of 1941.*—In paragraph 2 of the Schedule to the principal Act, after the words and bracket "motor driver,"; the words "or as a hospital attendant, cook, water-carrier, cart-man, range-warder, barber, washerman or sweeper" shall be inserted.

K. V. K. SUNDARAM,
Secretary to the Government of India.

NOTIFICATION.

No. L. D. 480—Legis. 4-51-26, dated Bangalore, the 25th May 1951.

Ordered that the accompanying Reserve Bank of India (Amendment) Act, 1951 (Central Act XXXII of 1951), published in the *Gazette of India*, Part II, Section 1, dated the 17th May 1951, be republished in the *Mysore Gazette*, for general information.

By Order of His Highness the Maharaja,

N. R. JAYA RAO,
Legal Remembrancer and
Secretary to Government,
Law Department.

Received Assent on 15th May 1951.

MINISTRY OF LAW

THE RESERVE BANK OF INDIA (AMENDMENT) ACT, 1951.

XXXII OF 1951.

AN

ACT

further to amend the Reserve Bank of India Act, 1934.

BE it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Reserve Bank of India (Amendment) Act, 1951.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf.

2. Substitution of "India" for "States" in Act II of 1934.—In the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), unless otherwise expressly provided, for the words "the States", wherever they occur, the word "India" shall be substituted.

3. Amendment of section 1, Act II of 1934.—In sub-section (2) of section 1 of the principal Act, for the words and letter "Part B States" the words "the State of Jammu and Kashmir" shall be substituted.

4. Amendment of section 2, Act II of 1934.—In section 2 of the principal Act,—

(*i*) clause (*bb*) shall be relettered as clause (*c*);

(*ii*) the existing clause (c) shall be relettered as clause (*f*) and that clause, as so relettered, shall be inserted after clause (*e*);

(*iii*) clause (*ee*) shall be omitted;

(*iv*) after clause (*f*), as relettered, the following clause shall be inserted namely:—

'(*g*) the expressions "State Government" and "State Governments", unless otherwise expressly provided, do not include the Government of the State of Jammu and Kashmir.'

5. Amendment of section 7, Act II of 1934.—In section 7 of the principal Act, for sub-section (3) the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 1949, namely:—

"(3) Save as otherwise provided in regulations made by the Central Board, the Governor and in his absence the Deputy Governor nominated by him in this behalf, shall also have powers of general superint ndence and direction of the affairs and the business of the Bank, and may exercise all powers and do all acts and things which may be exercised or done by the Bank."

6. Amendment of section 11, Act II of 1934.—In section 11 of the principal Act,—

(*a*) in sub-section (1), for the words "any other Director" the words "any other Director or any member of a Local Board" shall be substituted;

(*b*) in sub-section (5), for the words and letters "of a Part A State or a Part C State", the words "of any State" shall be substituted.

7. Amendment of section 17, Act II of 1934.—In section 17 of the principal Act,—

(1) in clause (1), the words and letter "Part B States" shall be omitted;

(2) in sub-clause (*a*) of clause (2), after the words "scheduled bank" the words "or a State co-operative bank" shall be inserted;

(3) in sub-clause (*b*) of clause (2), for the words "nine months" the words "fifteen months" shall be substituted;

(4) in sub-clause (*c*) of clause (2), the words and letter "or such securities of Part B States as may be specified in this behalf by the Central Government on the recommendation of the Central Board" shall be omitted;

(5) in clause (4),—

(*a*) the words and letter "Part B States" shall be omitted;

(*b*) in sub clause (*d*), for the words "which have been transferred" the words "such documents having been transferred" shall be substituted;

(6) for clause (6), the following clause shall be substituted, namely :—

"(6) the issue of demand drafts, telegraphic transfers and other kinds of remittances made payable at its own offices or agencies, the purchase of telegraphic transfers, and the making, issue and circulation of bank post bills;";

(7) in clause (8),—

(*a*) the words and letter "or such Part B States" shall be omitted;

(*b*) in the first proviso, for the words "authority or State", in both the places where they occur, the words "or authority" shall be substituted;

(c) the second proviso shall be omitted;

(8) in clause (11),—

(*a*) the words and letter "or any Part B State" shall be omitted; and

(*b*) after the words and figures "established under the Industrial Finance Corporation Act, 1948", the words "or the Government of any such country outside India or any such person as may be approved in this behalf by the Central Government" shall be inserted;

(9) in clause (13), for the words "in the shares" the words "in the shares and securities" shall be substituted;

(10) in the second proviso to clause (14), for the words "share capital" the word "capital" shall be substituted.

(11) for clause (15A). the following clause shall be substituted, namely :—

"(15A) the performance of the functions of the Bank under the International Monetary Fund and Bank Ordinance, 1945 (XLVII of 1945), the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Banking Companies Act, 1949 (X of 1949) or any other law for the time being in force;".

8. Amendment of section 18, Act II of 1934.—In sub-section (1) of section 18 of the principal Act, for the words "Central Board" the word "Bank" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 1949.

9. Amendment of section 19, Act II of 1934.—For clause (2) of section 19 of the principal Act, the following clause shall be substituted, namely :—

"(2) purchase the shares of any Banking company or of any other company, or grant loans upon the security of any such shares;".

10. Amendment of section 20, Act II of 1934.—In section 20 of the principal Act, for the words and letter "the State Governments and such Part B States as may be approved of and notified by the Central Government in the Gazette of India' the words and letter "and the Governments of Part A States" shall be substituted.

11. Amendment of section 21, Act II of 1934.—To section 21 of the principal Act, the following sub-section shall be added, namely :—

"(5) In this section, the expressions "State Government" and "State Governments" do not include the Government of any Part B State."

250

12. Insertion of new section 21A in Act II of 1934.—After section 21 of the principal Act, the following section shall be inserted, namely :—

"21A. *Bank to transact Government business of Part B States on agreement.*—(1) The Bank may by Agreement with the Government of any Part States undertake—

(*a*) all its money, remittance, exchange and banking transactions in India, including in particular, the deposit free of interest, of all its cash balances with the Bank ; and

(*b*) the management of the public debt of, and the issue of any new loans by, that State.

(2) Any agreement made under this section shall be laid, as soon as may be after it is made, before Parliament.

13. Amendment of section 26, Act II of 1934—In sub-section (2) of section 26 of the principal Act, for the words "save at an office or agency of the Bank", the words "save at such office or agency of the Bank and to such extent as may be specified in the notification" shall be substituted.

14. Amendment of Section 33, Act II of 1934.—In sub-section (3) of section 33 of the principal Act, for the words and figures "of section 18" the words, figures and brackets "of sub-section (1) of section 18" shall be substituted.

15. Amendment of sections 36 and 37, Act II of 1934.—In sections 36 and 37 of the principal Act, for the words "sterling securities", wherever they occur, the words "foreign securities" shall be substituted.

16. Amendment of section 42, Act II of 1934,—In section 42 of the principal Act,—

(1) for sub-section (2), the following shall be substituted, namely :—

"(2) Every scheduled bank shall send to the bank a return signed by two responsible officers of such bank showing—

(*a*) the amount of its demand and time liabilities and the amount of its borrowings from banks in India,

(*b*) the total amount of legal tender notes and coins held by it in India,

(*c*) the balance held by it at the Bank in India,

(*d*) the balances held by it at other banks in current account and the money at call and short notice in India,

(*e*) the investments (at book value) in Central and State Government securities including treasury bills and treasury deposit receipts,

(*f*) the amount of advances in India,

(*g*) the inland bills purchased and discounted in India, at the close of business on each Friday, and every such return shall be sent not later than five days after the date to which it relates :

Provided that where Friday is a public holiday under the Negotiable Instruments Act, 1881, (XXVI of 1881), for one or more offices of a scheduled bank, the retun shall give the preceding working day's figures in respect of such office or offices, but shall neverthless be deemed to relate to that Friday :

Provided further that where the Bank is satisfied that the furnishing of a weekly return under this sub-section is impracticable in the case of any scheduled bank by reason of the geographical position of the bank and its branches, the Bank may allow such bank—

(*i*) to furnish a provisional return for the week within the period aforesaid to be followed up by a final return not later than ten days after the date to which it relates, or

(*ii*) to furnish in lieu of a weekly return a monthly return to be sent not later than fourteen days after the end of the month to which it relates giving the details specified in this sub-section in respect of such bank at the close of business for the month.";

(2) in sub-section (3A), in clause (*a*) and in the *Explanation*, the words "managing agent" shall be omitted;

(3) in sub-section (4), for the words "shall be liable to pay to the Central Government or to the Bank as the case may be, or to each," the words "shall be liable to pay to the Bank" shall be substituted;

(4) in sub-section (5), for the words, brackets and figure "by the Central Government in the case of a failure to make a return under sub-section (2) to the Central Government, or by the Bank with the previous sanction of the Central Government in other cases", the words "by the Bank" shall be substituted;

(5) in clause (*a*) of sub-section (6), for the words "in any State of India" and "outside the States of India", the words "in India" and "outside India" shall respectively be substituted;

(6) after sub-section (6), as so amended, the following sub-section shall be inserted, namely:—

"(7) The Bank may, for such period and subject to such conditions as may be specified, grant to any scheduled bank such exemptions from the provisions of this section as it thinks fit with reference to all or any of its offices or with reference to the whole or any part of its assets and liabilities."

17. Amendment of section 44, Act II of 1934.—In section 44 of the principal Act, the words and figures "with which it has any transction under section 17" shall be omitted.

18. Amendment of section 51, Act II of 1934.—In section 51 of the principal Act, for the words "Auditor General", the words "Comptroller and Auditor General" shall be substituted.

19. Amendment of the Third Schedule, Act II of 1934.—In paragraph 2 of the Third Schedule to the principal Act, for the words "the States" the words and letters "Part A States and Part C States" shall be substituted.

K. V. K. SUNDARAM,
Secretary to the Government of India.